

CALIFORNIA ENERGY COMMISSION1516 NINTH STREET
SACRAMENTO, CA 95814-5512

June 18, 2003

To: Emerging Account Stakeholders

Subject: Processing of reservations received prior to July 1, 2003

This letter is to inform you of the procedures that the Emerging Renewables Program (ERP) will use to process applications received prior to July 1, 2003, when rebate levels for qualifying contractor-installed systems will decrease by \$0.20/watt and rebate levels for qualifying self-installed system will decrease by \$0.17/watt.

The ERP Guidebook states: "Funding reservations are made only for complete applications on a first come, first served basis. Incomplete applications will not be processed until all appropriate documentation is provided," [ERP Guidebook, page 10]. Typically, ERP staff will log an application as received when it is sent to the program, either by fax, mail, or hand delivery. However, significant time may occur prior to ERP staff determining whether a particular application is complete or incomplete. No funds are reserved for an incomplete or unclear application until ERP staff request and receive the required additional information from the applicant. Once an application is determined to be complete, a funding reservation is issued.

The number of applications already received and expected to be received prior to July 1 indicate that for some of these applications, ERP reviews will not occur until after July 1. Clear and complete applications received prior July 1 will be issued funding reservations at the pre-July 1 rebate levels, whether reviewed before or after July 1.

Applications received prior to July 1 that are complete and include all necessary supporting documentation, but which require clarification in one or more areas will be processed as follows:

- 1) Upon review (before or after July 1) ERP staff will request clarification from the applicant.
- 2) The applicant will have the same number of days to provide the clarifying information as the number of days between the date of receipt (prior to July 1, 2003) and July 1, 2003.
- 3) If the applicant provides the clarifying information so that it is received by ERP staff or postmarked within the number of days specified, the application will be issued a funding reservation at the pre-July 1 rebate levels.
- 4) If the applicant does not provide the clarifying information within the period specified, the application will not be issued a reservation at the pre-July 1 rebate levels.

Incomplete applications that are submitted prior to July 1, but reviewed by ERP staff after July 1, will receive the post July 1, 2003 rebate levels (if made complete within 30 days per the ERP Guidebook).

For complete applications, this procedure in effect would be the same as if ERP staff were able to review every application, and request clarifying information if necessary, on the same day that the application is received. Thus, a delay in reviewing applications because of a large application caseload will not impede the applicants' ability to reserve the higher incentive if the application filed is clear and complete prior to July 1.

Remember, in order for an application to be complete it must include the following documents:

- 1) A completed R1 form (CEC 1038 R1),
- 2) A copy of the purchase agreement(s) for equipment and labor contract(s) for the system to be professionally installed by an appropriately licensed contractor (or a purchase agreement or proof of 10% down payment for an owner installed system),
- 3) A copy of a recent monthly electricity bill for the customer (or in the case of new construction, appropriate evidence of eligible utility service expected on completion), and
- 4) A completed Payee Data Record Form (Form STD-204).

The following examples illustrate the resulting rebate levels for applications received prior to July 1, 2003, but reviewed after this date.

Example 1

An application is submitted to the Energy Commission by fax on June 16, 2003 for an appropriately licensed contractor installed PV system. The application is reviewed by ERP staff on July 7, 2003. The application is complete and includes all necessary supporting documentation. However, the purchase agreement does not clearly identify the terms and conditions applicable to the purchase. The purchaser is notified that clarification is needed and given 15 days (the difference between June 16 and July 1) to provide the clarifying information. If the purchaser provides the clarifying information within this timeframe, they will receive a reservation at the \$4.00/watt rebate level. Otherwise, the purchaser may clarify the application within 30 days and qualify for a reservation at the \$3.80/watt rebate level.

Example 2

An application is submitted to the Energy Commission by fax on June 20, 2003 for an owner installed PV system. The application is reviewed by ERP staff on July 11, 2003. The application does not include an executed copy of the purchase agreement for the equipment or a copy of the purchaser's monthly electricity bill. This application is incomplete and not eligible for the \$3.40/watt rebate level. The purchaser may qualify for a reservation at the \$3.23 rebate level if he or she submits a copy of the executed purchase agreement and a copy of their monthly electricity bill within 30 days.

Example 3

An application is submitted to the Energy Commission by fax on June 30, 2003 for an appropriately licensed contractor installed PV system. The application is reviewed by ERP staff on July 21, 2003. The application is complete and includes all necessary supporting documentation. However, the purchase agreement indicates a different installation address than the utility bill. The purchaser is notified that clarification is needed and given 1 day (the difference between June 30 and July 1) to provide the clarifying information. If the purchaser provides the clarifying information within this timeframe, he or she will receive a reservation at the \$4.00/watt rebate level. Otherwise, the purchaser may clarify the application within 30 days and qualify for a reservation at the \$3.80/watt rebate level.

Pages 10-13 of the Emerging Renewables Program Guidebook, explaining the reservation process, are attached to this letter for your reference.

Sincerely,

Timothy N. Tutt
Technical Director
Renewable Energy Program

IV - Reservation Process

Through this program, funding is reserved for applicants who have committed to purchase and install an eligible system at a given site. A funding reservation provides the purchaser assurance that the reserved funds will be available when the claim is made. The reservation period is for nine months for systems less than 30 kW, and only one reservation will be allowed for each site within that nine month period. A group of reservations in one location, such as for multiple homes in a new residential development, or for one customer at several locations, such as for multiple retail stores in a retail chain or for multiple schools in a single school district, which total 30 kW or greater in aggregate will receive an 18 month reservation period.

Funding reservations are made only for complete applications on a first come, first served basis. Incomplete applications will not be processed until all appropriate documentation is provided. No payment will be made unless the installed system meets all applicable ERP requirements even if funds are reserved. As it is the goal of this program to ultimately lower system costs, systems with an installed system price that is significantly higher than average may require additional justification.

The Energy Commission will start accepting reservation requests on March 3, 2003.

A. Reserving a Rebate

This section describes the paperwork that is required to reserve funding. Please be sure to submit a complete reservation application and provide all the supporting documentation described below to receive your reservation. The reservation process will be delayed if incomplete and incorrect information is received. To obtain a rebate reservation, you must submit the following five items:

- Reservation Request Form (CEC-1038 R-1)
- Evidence of an agreement to purchase and install a system
- Itemized costs of major components and labor costs
- Evidence that site electricity load is supplied by an eligible utility
- Payee data record (Form STD-204)

(Once a system is completed, the applicant will need to submit a building permit showing final inspection signoff, a full five-year warranty for the system, a signed utility interconnection application for the system, and documentation confirming final payment and installation to claim the rebate payment and to demonstrate that the system complies with eligibility requirements. These items are discussed in detail in Chapter V.)

Chapter VII covers the special requirements for the Solar Rebates for Affordable Housing Program. Appendix 5 covers new housing developments, systems installed on property owned by retailers and/or contractors, adding to systems, and leased systems.

1. Reservation Request Form

The purchaser of the system must always sign the Reservation Request Form. If the seller of the system is designated as the payee, the seller (retailer or wholesaler) must also sign. Eligible equipment sellers need to file business information with the Energy Commission to be eligible to participate in the program. After March 31, 2003, reservation requests that identify ineligible retailers will not be approved until the required business information is filed with the Energy Commission.

Detailed instructions are on the back of the Reservation Request Form. Appendix 1 includes a blank copy of the Reservation Request Form and accompanying instructions. To obtain additional blank forms, call the Energy Commission Call Center at (800) 555-7794 or download the forms online from the following Energy Commission website: [\[www.ConsumerEnergyCenter.org/erprebate/\]](http://www.ConsumerEnergyCenter.org/erprebate/).

2. Evidence of Agreement to Purchase

For most systems, the purchaser must submit a copy of the system or equipment purchase agreement(s) and installation contract(s) with the application for a rebate reservation. The copies may include one contract where the equipment and installation are provided by the same company or may be two or more contracts for separate purchase(s) of equipment and a contract for labor. All installation contract(s) must comply with the Contractors State License Board (CSLB) requirements. The equipment purchase agreement(s) and installation contract(s) must constitute signed agreement(s) to proceed with the purchase and installation of the specified system, including identification and signatures of the buyer and seller. The agreement(s) must clearly identify or state the following:

1. the quantity make and model number as shown on the lists of eligible equipment for the following:
 - photovoltaic modules, wind turbines, or other generating equipment
 - inverters and system performance meters;
2. the physical address of the location where the equipment is to be installed;
3. the payment terms, the total cost of the contract, the expected rebate amount from the Energy Commission, and any other limited conditions of sale.

(To reduce concerns with signing a contract before a rebate reservation request is submitted and approved, the agreement(s)/contract(s) may include a statement indicating that the agreement is conditional upon receiving the expected reservation approval from the Energy Commission.)

Individuals who install their own systems may qualify for the discounted rebate and may submit an agreement between the seller and purchaser for the purchase of equipment (as above), but need not submit an installation agreement.

Alternately, the purchaser may demonstrate a commitment to purchase the system by submitting invoices or receipts showing that a down payment of at least ten percent of the major equipment price has been paid. The information in item 1 in the list above and the total cost of the purchase(s) must be clearly identified on the invoices and receipts.

3. Itemized Cost of Major Equipment and Labor

If not already included in the purchase agreement or contract, the individually itemized costs for the photovoltaic modules, wind turbines, inverters, and labor must be identified by providing supplemental information.

4. Evidence that Site Electricity Load is Supplied by Eligible Utility

If the installation location currently has electrical service, the purchaser must submit a copy of the utility bill showing the address of the installation site, the name of the purchaser, electric energy usage, and the utility name. If the name on the utility bill is not the same as the purchaser's, provide an explanation. This or other documentation must show that the annual on-site electrical load justifies the proposed system size before payment will be made.

If the installation location is a new facility without electrical service, the purchaser must submit a signed statement explaining the site is new construction and identifying the electric utility that will be providing service. A utility bill or other similar documentation identifying the physical address of the installation, the electric utility provider at the site, and the expected electricity usage at the site will be required before a rebate payment is made. The energy usage can also be demonstrated with a statement signed by a qualified architect, engineer, or electrical contractor indicating that the requisite electricity consumption will occur at the site.

5. Payee Data Record (Form STD-204)

This form must be completed by the person or business entity receiving the rebate payment. If the designated payee has submitted a complete STD-204 form with a prior application, the payee may identify the payee identification number assigned to the prior application form instead of submitting a new form.

6. Submitting Your Complete Reservation Application

The complete reservation request application may be delivered by FAX to (916) 653-1435 or by mail to:

Emerging Renewables Program

California Energy Commission, Accounting Office
1516 - 9th Street, MS-2
Sacramento, CA 95814-5512

No funding will be reserved if an application is incomplete or illegible or has conflicting information. The application will be approved for a reservation based on the date it is deemed complete and not the date it was first submitted. The rebate level and other program criteria applicable on the completion date will apply. If the reservation request application is incomplete, the Energy Commission may request the provision of missing or unclear information from the appropriate party (purchaser, equipment seller, or installer) to process the request. In that event, the Energy Commission will allow the submitting party 30 days to respond with the information. If missing information is not submitted within 30 days of the Energy Commission's request, the Energy Commission will send a notice to the purchaser indicating that the application has been disapproved. The application will not be processed further unless resubmitted with the required information.

If you qualify for the affordable housing rebate, see Chapter VII for further requirements.

The amount of the rebate available is expected to change during the term of the program. Therefore, the Energy Commission recommends that applicants wait to order or install system equipment until after they receive a confirmation indicating the amount of funding that has been reserved for their rebate.